

MONTANA LEGISLATIVE HISTORY

Chapter 881 19 85

Bill H _____ S 33 Original bill & history x c

H. Committee on Taxation

Hearing Date(s) 3/15 v c

2/19 x c

_____ c

_____ c

Date Out _____ c

S. Committee on Taxation

Hearing Date(s) 1/22 x c

1/23 a c

1/19 x c

2/4 x c

Did this bill originate in an interim committee? ✓ Yes _____ No

Committee _____

Report _____

Agricultural Land Taxation in Montana 12/1984

KFM 9011.62, JA 1984

Electronic Access <http://purl.org/msl/agridec1984culturallandmontrich>

CONTENTS

li

Chap. Num.	Senate Bill	House Sponsor Bill	Title
670		843 App. Com.	An act to revise the laws relating to public assistance; providing for administration, eligibility, and benefits relating to general relief assistance provided by counties or by the state when such a program has been assumed by the state; amending sections 39-71-118, 45-6-301, 53-2-603, 53-2-602, 53-2-811, 53-3-103, and 53-3-307, MCA; repealing sections 53-2-307 through 53-2-310, 53-2-604, 53-2-605, 53-3-101, 53-3-102, 53-3-104 through 53-3-107, 53-3-202 through 53-3-204, 53-3-301, 53-3-302, and 53-3-306, MCA; and providing effective dates.Page 1475
671	13	Story	An act clarifying that the Montana Administrative Procedure Act does not apply to units of local government, school districts, or any other political subdivisions of the state; amending section 2-4-102, MCA; and providing an applicability date.Page 1488
672	119	Eck	An act providing that any fee for child support enforcement services be paid by the person from whom the support is collected rather than by the applicant for the services; amending section 40-5-203, MCA.Page 1490
673	291	H. Hammond	An act to limit state-mandated audits of municipalities to cities and towns having a population of more than 300; amending section 2-7-503, MCA.Page 1491
674	419	Conover	An act providing for the issuance of regular license plates carrying a design to recognize the centennial of Montana's admission to statehood; providing that special commemorative centennial license plates may be issued for an amount in excess of the charge for regular license plates, with the proceeds of such sales to be used for Montana's statehood centennial commemoration; providing for the administration of the sale and issuance of such plates; amending section 61-3-332, MCA; and providing a termination date.Page 1492
675	14	Asay	An act creating a Legislative Committee on Indian affairs; providing for the committee's termination in 1987; appropriating funds for the committee; and providing an immediate effective date.Page 1496
676	224	Asay	An act appropriating a portion of long-range building program bond proceeds to the Department of Administration to provide loans for the sponsor's share of airport improvement projects; establishing an account to receive the funds; amending section 67-1-301, MCA; and providing an immediate effective date and a termination date.Page 1498
677	270	Marks	An act creating a Select Committee on Health Insurance for Retired Public Employees; defining the duties and powers of the committee; appropriating funds for the committee's use; and providing an immediate effective date.Page 1500
678	286	Kitelman	An act to provide for special civil action by utilities against customers who bypass or tamper with utility meters.Page 1503
679	438	J. Brown	An act to provide for the offsetting of child support debts against state income tax refunds; amending section 17-4-105, MCA; and providing an effective date.Page 1504
680	25	Towe	An act authorizing the state to assume funding for certain district court expenses and authorizing the Legislature to provide funding for the district court grant program; amending sections 3-5-602, 3-5-604, 7-6-2352, 7-6-2426, 7-6-2427, 46-8-114, 46-8-201, 46-8-202, 46-11-319, 46-14-202, 46-14-221, 46-15-104, and 46-18-235, MCA; and providing an effective date.Page 1505
681	33	Severson	An act providing for establishment of agricultural land and timberland values for the revaluation cycle beginning January 1, 1986; creating class thirteen property for timberlands; removing timberlands from class three property; continuing the exemption from the provisions of the Realty Transfer Act for timberlands; amending sections 15-6-101, 15-7-201, 15-7-202, 15-7-307, and 15-8-111, MCA; and providing a delayed effective date and a termination date.Page 1512
682	72	Hager	An act to exclude certain social security benefits, certain tier 1 railroad retirement benefits, workers' compensation benefits, and certain employer-paid health insurance premiums from adjusted gross income in computing state individual income tax liability by providing a base exclusion for married persons filing separately; amending section 15-30-111, MCA; and providing an immediate effective date and an applicability date.Page 1517

Senate Page No. 10, 65.

- 30 Introduced by Towe: A bill for an act entitled: "An act to require the division of motor vehicles to give a warning notice to a driver who has accumulated 15 or more conviction points toward the status of habitual traffic offender; amending section 61-11-204, MCA."

Senate Page No. 10, 79.

- 31 Introduced by Himsl: A bill for an act entitled: "An act providing for waiver of county surveyor qualifications when the office of county surveyor is consolidated with another county office; providing for contracting with a person who meets those qualifications to perform duties of county surveyor; amending section 7-4-2801, MCA; and providing an immediate effective date."

Senate Page No. 10, 21, 32, 39, 45, 55, 958, 989, 1043, 1114.

House Page No. 85, 86, 1211, 1266, 1305, 1393.

- 32 Introduced by Aklestad: A bill for an act entitled: "An act to exempt producer-held grain in storage from property taxation; amending sections 15-6-136 and 15-6-207, MCA; and providing an immediate effective date and an applicability date."

Senate Page No. 10, 15, 314, 328, 329.

- 33 Introduced by Severson, Switzer (By request of the Revenue Oversight Committee): A bill for an act entitled: "An act providing for establishment of agricultural land values for the revaluation cycle beginning January 1, 1986; amending section 15-7-201, MCA; and providing a delayed effective date."

Senate Page No. 10, 18, 130, 141, 155, 282, 283, 319, 325, 348, 356, 1349, 1383, 1404, 1548, 1587, 1611, 1684, 1726, 1732, 1740, 1899, 1900.

House Page No. 507, 1112, 1655, 1764, 1773, 2130, 2135, 2137, 2144, 2163, 2195, 2237, 2247, 2263, 2385.

- 34 Introduced by Norman (By request of the Department of Revenue and the Revenue Oversight Committee): A bill for an act entitled: "An act to establish alcoholic beverage licensing criteria for a business entity other than a corporation or an individual; amending section 16-4-401, MCA; and providing an immediate effective date."

Senate Page No. 46, 168, 179, 200, 205, 222, 914, 949, 967, 989, 1023.

House Page No. 355, 1112, 1181, 1218, 1226, 1258, 1369.

- 35 Introduced by Norman (By request of the Department of Revenue and the Revenue Oversight Committee): A bill for an act entitled: "An act defining subwarehouse; revising the definition of warehouse; establishing an annual license fee for a beer wholesaler and table wine distributor subwarehouse; amending sections 16-1-106 and 16-4-501, MCA; and providing effective dates."

SENATE BILL NO. 33

INTRODUCED BY SEVERSON, SWITZER, HIRSCH, FARRELL, MCCALLUM,
AKLESTAD, LANE, BOYLAN, TVEIT, E. SMITH, GAGE, HAGER,
LYBECK, ANDERSON, KEATING, CONOVER, MOHAR, STIMATZ, H. HAMMOND,
KOLSTAD, GALT, NORMAN, DANIELS, SHAW, LYNCH, GOODOVER,
STEPHENS, CRIPPEN, FULLER, B. BROWN, STORY, HIMSL, THAYER,
HAFFEY, B. WILLIAMS, HALLIGAN, YELLOWTAIL, ECK, MANNING,
BENGTSON, HARDING, MAZUREK, PINSONEAULT,
VAN VALKENBURG, CHRISTIAENS

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

IN THE SENATE

January 7, 1985

Introduced and referred to
Committee on Taxation.

January 9, 1985

On motion by Chief Sponsor,
Senators Hirsch, Farrell,
McCallum, Aklestad, Lane, Boylan,
Tveit, E. Smith, Gage, Hager,
Lybeck, Anderson, Keating,
Conover, Mohar, Stimatz, H.
Hammond, Kolstad, Galt, Norman,
Daniels, Shaw, Lynch, Goodover,
Stephens, Crippen, Fuller, B.
Brown, Story, Himsl, Thayer,
Haffey, B. Williams, Halligan,
Yellowtail, Eck, Manning,
Bengtson, Harding, Mazurek,
Pinsoneault, Van Valkenburg, and
Christiaens added as sponsors.

Fiscal Note requested.

January 14, 1985

Fiscal Note returned.

January 23, 1985

Committee recommend bill do pass
as amended. Report adopted.

January 24, 1985

Bill printed and placed on
members' desks.

January 25, 1985

On motion, taken from second reading and rereferred to Committee on Taxation. Motion adopted.

February 6, 1985

On motion, taken from Committee on Taxation and placed on second reading. Motion adopted.

February 8, 1985

Second reading, do pass.

February 9, 1985

Considered correctly engrossed.

February 11, 1985

Third reading, passed.
Ayes, 48; Noes, 1.

Transmitted to House.

IN THE HOUSE

February 27, 1985

Introduced and referred to Committee on Taxation.

March 30, 1985

Committee recommend bill be concurred in as amended. Report adopted.

April 1, 1985

Second reading, concurred in.

Third reading, concurred in.

Returned to Senate with amendments.

IN THE SENATE

April 1, 1985

Received from House.

April 4, 1985

On motion, passed for the day.
Motion adopted.

April 5, 1985	Second reading, amendments not concurred in. Ayes, 45; Noes, 0.
April 16, 1985	On motion, Conference Committee requested and appointed.
April 18, 1985	Conference Committee dissolved. On motion, Free Conference Committee requested and appointed.
April 20, 1985	Free Conference Committee reported. Statement of Intent attached.
April 22, 1985	Second reading, Free Conference Committee report adopted. Third reading, Free Conference Committee report adopted. Free Conference Committee report adopted by House.
April 23, 1985	Sent to enrolling. Reported correctly enrolled.

SENATE BILL NO. 33

INTRODUCED BY SEVERSON, SWITZER

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR ESTABLISHMENT OF AGRICULTURAL LAND VALUES FOR THE REVALUATION CYCLE BEGINNING JANUARY 1, 1986; AMENDING SECTION 15-7-201, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

WHEREAS, House Bill 851 (Ch. 510, L. 1983) enacted by the 48th Legislature recognized the difficult economic circumstances of farmers and ranchers by placing a temporary moratorium on the effective date of any Department of Revenue rules revising agricultural land valuations; and

WHEREAS, House Bill 637 (Ch. 644, L. 1983) enacted by the 48th Legislature expanded upon the intent of the Legislature regarding the valuation of agricultural land; and

WHEREAS, House Joint Resolution 35 was adopted in the 1983 Legislative Session, calling for a study of agricultural land taxation; and

WHEREAS, the legislative interim Joint Subcommittee on Agricultural Land Taxation has studied taxes on agricultural land; and

WHEREAS, the Joint Subcommittee on Agricultural Land Taxation found that the productive value of agricultural lands actually decreased since the last revaluation of agricultural land; and

WHEREAS, the Joint Subcommittee on Agricultural Land Taxation, with a policy of fairness and fiscal responsibility, recommended that assessed valuations currently in effect for agricultural land, except irrigated land, be continued for the revaluation cycle beginning January 1, 1986; and

WHEREAS, it is the intent of the Legislature to implement the recommendation of the Joint Subcommittee on Agricultural Land Taxation.

THEREFORE, it is the purpose of this bill to reflect that recommendation by amending section 15-7-201, MCA, and clarifying the legislative intent with respect to the valuation of agricultural lands.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-7-201, MCA, is amended to read:

"15-7-201. (Effective January 1, 1986) Legislative intent -- value of agricultural property. (1) Since the market value of many agricultural properties is based upon speculative purchases which do not reflect the productive capability of agricultural land, it is the legislative

1 intent that bona fide agricultural properties shall be
2 classified and assessed at a value that is exclusive of
3 values attributed to urban influences or speculative
4 purposes.

5 (2) Agricultural land shall be classified according to
6 its use, which classifications shall include but not be
7 limited to irrigated use, nonirrigated use, and grazing use.

8 {3} Within each class of agricultural land, such land
9 shall be assessed at a value that is fairly based on its
10 ability to produce,---taking---into---consideration---the
11 classification--system--in--existence--on--January--17--1986,
12 provided,--however,--the--department--may--consolidate--tiltable
13 irrigated--land--classes,--With--relation--to--irrigated--land,
14 water--costs--shall--be--taken--into--consideration,--except--at--no
15 time--may--the--resulting--value--of--irrigated--land--be--reduced
16 below--the--value--such--land--would--have--if--it--were--not
17 irrigated.

18 {4}{3} Capital costs such as improved water
19 distribution, fertilizer, and land shaping that increase
20 productivity shall not be used in determining assessed
21 values.

22 (4) (a) Except as provided in subsections (4)(b) and
23 (4)(c), the department of revenue shall continue to use the
24 agricultural land valuation schedules in effect on January
25 12, 1984, for the revaluation cycle beginning January 1,

1 1986.

2 (b) Irrigated land values shall be revised, taking
3 water costs into consideration. However, at no time may the
4 value of irrigated land be below the value such land would
5 have if it were not irrigated.

6 (c) The provisions of subsection (4)(a) do not apply
7 to agricultural land used for growing timber."

8 NEW SECTION. Section 2. Effective date. This act is
9 effective January 1, 1986.

-End-

FISCAL NOTE

Form BD-15

In compliance with a written request received January 9, 1985, there is hereby submitted a Fiscal Note for S.B. 33 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

An act providing for establishment of agricultural land values for the revaluation of agricultural land values for the revaluation cycle beginning January 1, 1986 and providing a delayed effective date.

ASSUMPTIONS

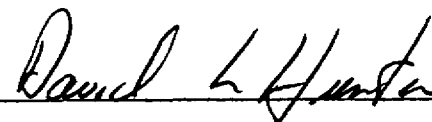
1. The Legislature intends to adjust the tax rates for property subject to reappraisal in order to maintain current taxable values.
2. The tax rate for agricultural land is not changed.

FISCAL IMPACT

The proposal will have no fiscal impact.

TECHNICAL OR MECHANICAL DEFECTS

This bill does not separate agricultural and timber lands into different classes. Failure to make this separation may result in a constitutional problem.



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: JAN 14 1985

MONTANA STATE SENATE
SENATE TAXATION COMMITTEE

49TH LEGISLATURE

COMMITTEE MEMBERS:

Senator Tom Towe, Chairman
Senator Joe Mazurek, Vice-Chairman
Senator Bob Brown
Senator Dorothy Eck
Senator Pat Goodover
Senator Tom Hager
Senator Mike Halligan
Senator Les Hirsch
Senator Ray Lybeck
Senator George McCallum
Senator Ted Neuman
Senator Elmer Severson

STAFF ATTORNEY:

Jim Lear

SECRETARY:

Nancy Aagenes

CHAIRMAN--TOWE, TOM

NORMAL SCHEDULE==> SITE: ROOM 413/415

DAYS: M-TU-W-TH-F

TIME: 8:00-10:00 A.M.

SECRETARY--AAGENES, NANCY

--BILL NO--	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
SB0004	1/07	1/15	1/29, 2/25	TABLED		1/29
GAGE, DELWYN			IMPACT OF DECLINE ACCOUNT FOR COAL BOARD FUNDS			
SB0021	1/07	1/09	1/11, 2/20, 2/22	PASS AS AMENDED	TAXATION	2/22
TOWE, THOMAS E.			CREATING A COAL RESEARCH AND DEVELOPMENT ACCOUNT FROM COAL SEVERANCE TAX			
SB0021	3/04		3/18	TABLED		3/18
TOWE, THOMAS E.			CREATING A COAL RESEARCH AND DEVELOPMENT ACCOUNT FROM COAL SEVERANCE TAX			
SB0032	1/07	1/08	1/08 1/11 1/22, 2/8	ADVERSE REPORT		2/8
AKLESTAD, GARY C.			EXEMPT PRODUCER-HELD GRAIN IN STORAGE FROM PROPERTY TAXATION			
SB0033	1/07	1/22	1/23	PASS AS AMENDED	TAXATION	1/23
SEVERSON, ELMER D.			ESTABLISHING AGRICULTURAL LAND VALUES FOR 1986 REVALUATION CYCLE			
SB0033	1/25		1/26, 1/29, 2/4	do pass.		2/4
SEVERSON, ELMER D.			ESTABLISHING AGRICULTURAL LAND VALUES FOR 1986 REVALUATION CYCLE			
SB0034	1/14	1/25		PASS AS AMENDED		1/25
NORMAN, BILL			ALCOHOLIC BEVERAGE LICENSING CRITERIA FOR BUSINESS ENTITIES			
SB0035	1/14	1/25		DO PASS		1/25
NORMAN, BILL			DEFINING SUBWAREHOUSE FOR BEER AND WINE WHOLESALERS; ANNUAL LICENSE FEE			
SB0036	1/14	1/25		DO PASS		1/25
NORMAN, BILL			DELETING ALCOHOLIC BEVERAGE CLUB LICENSE REFERENCE			
SB0037	1/07	1/17	1/18	DO PASS		1/18
MAZUREK, JOSEPH P.			REMOVING THE STATE TAX APPEAL BOARD FROM LIQUOR LICENSING APPEAL PROCESS			
SB0041	1/07	1/10	1/10 1/11 1/25	PASS AS AMENDED		1/25
TOWE, THOMAS E.			EXCLUDING TRUST FUND INTEREST FROM IN-STATE INVESTMENT FUND			

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

January 22, 1985

The eleventh meeting of the Senate Taxation Committee was called to order by Chairman Thomas E. Towe at 8 am in Room 413-415 of the Capitol Building.

ROLL CALL: All members of the committee were present except Senator Brown who joined the committee at 8:10 am.

CONSIDERATION OF SB 33: Senator Severson was recognized as chief sponsor of the bill. He explained that the bill grew out of a bipartisan study committee during the interim and a Governor's advisory committee dealing with the issue of agricultural land values. He explained how agricultural land is assessed and valued. He said it would not be done differently except that irrigated land value, with water costs deducted, could not go below the value of nonirrigated land. Capitalized net income was the value that the committee agreed on; and that would reduce the value of farm land about 59 percent. Senator Severson explained that with other property values increasing and taxes going up, the committees finally agreed that a moratorium on increased farm value would be fair, rather than decreasing the valuation by the 59 percent even though it could be justified. Senator Severson said Representative Dean Switzer would co-sponsor the bill from the House side.

PROPOSERS

Nancy Espy, Chairman of the Governor's advisory committee, said that SB 33 summarizes the work of that committee. She said the bill has agreement and support from all parts of the agricultural community.

John LaFaver, Director of the Department of Revenue, emphasized the administration's strong support for the bill. He said the bill represents clearly a good compromise for not hurting the tax base and being protective of Montana agriculture.

Mons Teigen, Montana Stockgrowers, said that the committee should expect HB 168, a companion bill which deals with capitalized net income beyond the 1986 revaluation cycle. He said that the Office of Budget and Program Planning said agriculture lost \$121 million in 1981, \$151,983,000 in 1982, and that the 1983 figure would probably be worse. He said that agriculture cannot be overtaxed and that the situation would be helped by SB 33 and HB 168.

Senator Leo Lane who worked on both committees developing SB 33 supported the bill. He said the agricultural land valuation would be even lower if it were done with equity, but the committees wanted to be fair to other taxpayers.

Pat Underwood of the Montana Farm Bureau supported the bill, saying they would also support HB 168 (Exhibit 1).

January 22, 1985

Keith Anderson, President of the Montana Taxpayers Association, said that lands in Montana are classified as they should be and that his association supported the bill.

OPPONENTS

There were no opponents to SB 33.

Questions from the committee were called for.

Senator Neuman asked if current inequities would be frozen by this bill. Senator Severson responded that they were trying to play fair ball with other taxpayers and to avoid a shift between rural and residential urban taxpayers.

Senator Eck asked if the bill defined bona fide agricultural properties. Senator Severson said that definition need not be contained in this bill as it would be coming in under other legislation.

Senator McCallum asked about the valuation schedule dated January 12, 1984, and Mr. Les Saisbury, Department of Revenue, said that it represented no change.

Senator Goodover asked about a mechanical defect indicated by the fiscal note. Senator Severson said that separation of timber from agricultural land was not a committee idea, but that the Department of Revenue felt the separation necessary. He pointed out, however, that Christmas trees were considered an agricultural crop and not taxed as timber. Mr. Saisbury was recognized and said that it was necessary to look at them separately to stop the kinds of problems that lead to the 34 percent cases.

Senator Brown asked for clarification of the irrigated land values. Mr. Saisbury said that under existing schedules it could be valued at less than nonirrigated land, and that the bill corrects this. Senator Severson said that it was to insure that dry land would not be taxed higher. He said that land was to be taxed on its basic ability to produce without the improvements made by good farmers. If they make it produce more they should not be taxed for that. At no time, he said, should irrigated land be taxed at less than dry land of the same classification. Mr. Saisbury said that a small amount of acreage would be affected by this change.

Senator Neuman asked about fertilizer being allowed as a capitol cost. Mr. Saisbury said that represented dollars used to increase production and should not be taxed.

Senator Eck asked if timber and agricultural lands were adequately separated by the bill. Mr. Saisbury said, yes.

Nancy Espy was recognized and again stressed the unity that farm groups have in support of this bill.

Senator Towe asked about HB 168. Senator Neuman explained that bill would allow capitalization as a factor on which to base

January 22, 1985

valuation. He said it would suggest to the Department how the capitalization rate should be determined. After 1986 the Department would bring a new cycle of agricultural land value into play.

Senator Severson said in closing that the committees worked to leave a good record of what and why and how this bill had been written.

Chairman Towe closed the hearing on SB 33.

FURTHER CONSIDERATION OF SB 43: Senator Towe reviewed the forms showing how and why the state is losing revenue from a loophole this bill would close. Mr. Ken Morrison of the Department of Revenue was recognized and said that the bill would pick up dollars lost because the piggyback system of the state on the federal system was incomplete.

MOTION: Senator Eck moved that SB 43 do pass. The motion carried unanimously.

FURTHER CONSIDERATION OF SB 51: Senator Towe said that he wanted amendments to the bill to address those people who cannot pay being treated differently from those people who will not pay.

Senator Halligan said that those deliberate, purposeful, chronic offenders must be addressed.

Senator McCallum said those who cannot pay would be treated the same by this bill as those who would not pay. Senator Eck asked Mr. Morrison what would happen to people who cannot pay. Mr. Morrison said that the Department was always willing to work out payment arrangements.

Senator Neuman said that if a \$100 penalty was a deterrent, that perhaps an even stiffer penalty would help more.

Senator Brown said the bill addressed a "real and disgusting problem" of the protesters not paying to harass the system. He said the committee needed to define "who needs to get got".

The problem of the smaller taxpayer and of the employer not sending in withholding were also discussed by the committee. Chairman Towe asked Senator Brown and Mr. Morrison to develop language that would overcome committee concerns.

FURTHER CONSIDERATION OF SB 49: Mr. Morrison was recognized and presented to the committee amendments drafted by the Department to answer the committee's concern that taxpayers have a right to be heard before an offset occurs (Exhibit 2). Senator Towe asked to have that hearing tied to the Administrative Procedures Act.

Mr. Morrison presented to the committee the applicable statute regarding offset of wages needed for support (Exhibit 3).

ROLL CALL

SENATE TAXATION COMMITTEE

49th Legislative Session -- 1985

Date 22 January 85

Location -- Room 413-415

Name Present Absent Excused

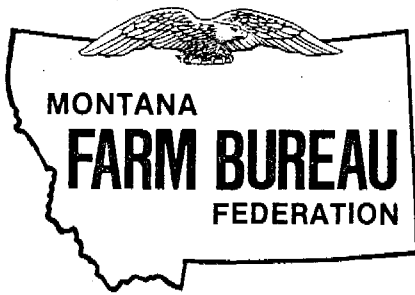
Senator Brown	8:10		
Senator Eck	✓		
Senator Goodover	✓		
Senator Hager	✓		
Senator Halligan	✓		
Senator Hirsch	✓		
Senator Lybeck	✓		
Senator Mazurek	✓		
Senator McCallum	✓		
Senator Neuman	✓		
Senator Severson	✓		
Senator Towe	✓		

NAME Mons Teigen BILL NO. SB 33
ADDRESS Helena DATE 1/22/85
WHOM DO YOU REPRESENT Mont. Stockgrowers Assn
SUPPORT X OPPOSE _____ AMEND _____
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

We support this bill along with HB 168. The
plight of agriculture is severe. Tax returns
show a negative agric income in 1981 of \$121,099,106
and in 1982 \$ 151,983,652

Agriculture deserves this help.



502 South 19th

Bozeman, Montana 59715

Phone (406) 587-3153

TESTIMONY BY: Pat Underwood

BILL # SB # 33 DATE Jan 22, 1985

SUPPORT X OPPOSE

The Montana Farm Bureau supports SB # 33. Members of our organization have had input into this bill since the 1983 session, through the interem committee's work and up until the present. We urge this committee to give this bill a de pass.

Thank You.

EXHIBIT 1 -- SB 33
Senate Taxation Committee
January 22, 1985

Pat Underwood
SIGNED

— FARMERS AND RANCHERS UNITED —

constituency, such as those who depend on the road fund. Senator Eck said that perhaps others could be included.

Senator Brown said that they are designed to protect the interest they finance. Senator Halligan responded that the competition would be consistent with how budgeting is done at the state level.

Senator McCallum asked if Saunders County levy would go up to 24 mils. Mr. Morris said that a county would not automatically levy the full amount. He said, again, that county commissioners are responsible local elected officials and that this bill would actually make their budgeting process more difficult. He added that a noxious weed act would be coming into this Legislature.

Senator Goodover asked how this would affect Cascade County. Mr. Morris said that five or six of the levies currently assessed there could be aggregated into one with this bill. Senator Towe said that the list provided by the Taxpayers Association shows that the maximum is rarely used even now.

Senator Halligan said in closing that the bill is a step in the right direction. County commissioners should be allowed to run their own shops. He said that Ravalli County, for example, has the second highest senior population in the state and could use an additional amount to address that problem. He said that he would address amendments to handle the double taxation threat regarding libraries and he stressed that use of the consolidated levy is optional. He said that the committee cannot treat elected officials like children and that this approach is consistent with the self-government concepts often espoused at campaign time.

Chairman Towe closed the hearing on SB 76.

FURTHER CONSIDERATION OF SB 33:

Senator Severson offered amendments insuring that christmas trees be taxed as an agricultural crop rather than as timber. Senator Mazurek said that he wanted the language tightened to specify "commercial" christmas trees.

Senator Towe wanted the bill clarified so that the capital costs of water systems and costs of distributing the water through those systems were clearly separated. The committee discussed again the understanding of the basic productivity of the land being taxed and not penalizing a farmer who increased the land's productivity.

MOTION: Senator Severson moved to amend SB 33 as follows:

1. Page 3, line 8.

Following: "{3}"

Strike: "Within"

Insert: "Except as provided in subsections (3) and (4), within"

2. Page 4, line 2.

Following: "shall"

Strike: "be revised, taking"

Insert: "take noncapital"

3. Page 4, line 3.

Following: "water"

Insert: "distribution"

4. Page 4, line 7.

Following: "timber."

Insert: "The provisions of subsection (4)(a) do apply to agricultural land used for growing christmas trees for commercial purposes."

The motion carried unanimously.

MOTION: Senator Severson moved that SB 33 do pass as amended. The motion carried unanimously.

FURTHER CONSIDERATION OF SB 51: Senator Brown presented amendments to the bill which would preclude using its provisions against someone who could not pay taxes. Hewalked the committee through the amendments.

MOTION: Senator Brown moved that SB 51 be amended as follows:

1. Page 2, line 10.

Following: "person"

Strike: "fails,"

2. Page 2, line 11.

Following: line 10

Strike: "violating"

Insert: "violates"

Following: "chapter"

Strike: ", "

3. Page 2, line 12.

Following: "tax"

Strike: "if one is due"

4. Page 2, line 13.

Following: "by"

Strike: "or under"

5. Page 2.

Following: line 23

Insert: "(c) The minimum penalties provided for in subsections (2)(a)(i) and (2)(a)(ii) do not apply if the taxpayer files a written statement under oath on a form provided by the department verifying that he is unable to pay the tax due."

Senator Goodover clarified that the tax would still be collected and that the excluding language applied only to penalties.

ROLL CALL

SENATE TAXATION COMMITTEE

49th Legislative Session -- 1985

Date

January 23, 1985 8:06am

Location -- Room 413-415

Name

Present

Absent

Excused

Senator Brown	✓		
Senator Eck	✓		
Senator Goodover	✓		
Senator Hager	✓		
Senator Halligan	✓		
Senator Hirsch	✓		
Senator Lybeck	✓		
Senator Mazurek	✓		
Senator McCallum	✓		
Senator Neuman	✓		
Senator Severson	✓		
Senator Towe	✓		

STANDING COMMITTEE REPORT

January 23 1985

MR. PRESIDENT

We, your committee on Taxation
having had under consideration Senate Bill No. 33
first reading copy (white)
color

ESTABLISHING AGRICULTURAL LAND VALUES FOR 1986 REVALUATION CYCLE

Respectfully report as follows: That Senate Bill No. 33

be amended as follows:

1. Page 3, line 8.

Following: ~~"(3)"~~

Strike: "Within"

Insert: "Except as provided in subsections (3) and (4), within"

2. Page 4, line 2.

Following: "shall"

Strike: "be revised, taking"

Insert: "take noncapital"

3. Page 4, line 3.

Following: "water"

Insert: "distribution"

4. Page 4, line 7.

Following: "timber"

Insert: "The provisions of subsection (4)(a) do apply to agricultural land used for growing christmas trees for commercial purposes."

AND AS AMENDED

DO PASS

XXXXXX
DO NOT PASS

Thomas E. Towe,

Chairman.

January 29, 1985

MOTION: Senator Brown moved that SB 106 do pass.

Senator Neuman asked if corporations other than subchapter S corporations could be included in the bill. He said all should be treated equally. Senator Towe noted that those involved in a subchapter S corporation pay individual taxes, and in other instances the corporations would pay the tax.

With Senator Neuman voting no, Senator Mazurek excused, and all other members voting yes, the motion carried.

FURTHER CONSIDERATION OF HB 32: Discussion clarified that Section 8 as stricken in the bill was proper.

MOTION: Senator Goodover moved that HB 32 be concurred in. The motion carried unanimously. Senator Towe agreed to ask Senator J. D. Lynch to carry the bill, stating that he would like Senator Goodover to do that if Senator Lynch could not.

FURTHER CONSIDERATION OF SB 33: Senator Severson said that he had agreed to pull SB 33 from second reading at the request of President Norman, but that having conversed with President Norman he felt that he was asking the unreasonable. Senator Severson said it seemed that SB 33 was being held hostage until SB 48 could be moved out. He recognized Senator Norman's concern that taxation not be shifted from agriculture to urban residential taxpayers. He said that he objected to SB 33 being used as a pressure point for SB 48, and added that SB 33 had been heard better than any bill as it was developed by two committees.

Chairman Towe asked Senator Severson to wait until Thursday to move on the bill.

Senator Eck said that she was concerned about the definition of bona fide agricultural residence that would be heard in Senator Aklestad's bill January 30.

Consensus was reached to act on SB 33 in Thursday's executive session.

FURTHER CONSIDERATION OF SB 4 (IN RELATIONSHIP TO SB 156): Senator Towe briefly discussed and explained the bill and asked the committee for questions.

Senator McCallum asked if most impact problems weren't handled. Senator Towe said yes, that Rosebud County now has the second lowest mill levy in the state. He emphasized again, however, that the impact of decline ought to be addressed.

Senator Eck said if the bill didn't pass the money would divert into the educational trust fund and she thought it was more needed there.

Senator Severson agreed.

Senator Towe said that two separate issues were in the bill. First, was the impact of decline and second was the change in percentage

February 4, 1985

The question was called on Senator Eck's motion that SB 48 do pass as amended. With Senators Eck, Halligan, Hirsch, Lybeck, Mazurek, Neuman and Towe voting yes; Senators Brown, Goodover, Hager, McCallum and Severson voting no; the motion carried.

FURTHER CONSIDERATION OF SB 33:

MOTION: Senator Severson moved that SB 33 do pass. The motion carried unanimously.

FURTHER CONSIDERATION OF SB 76: There was some discussion of whether an amendment was necessary to clarify the city-county library levies. Mr. Lear said his research indicated that amendment was not necessary. Ms. Sara Parker of the State Library was recognized and she agreed saying that the wrong kind of amendment could even hurt libraries.

Senator Brown clarified with her that libraries were in support of the bill. Ms. Parker said, yes. Senator Brown said that in the past library people had feared this kind of bill could hurt them as they are often in a weak political position. Ms. Parker said that this bill was okay with libraries.

MOTION: Senator Halligan moved that SB 76 do pass. He said that the local level needed this funding flexibility.

Senator McCallum said that he wanted the consolidation restricted to the mills that were actually used. Senator Halligan asked if he had a bill introduced to increase the levy for fairs. Senator McCallum responded that he liked the caps on the levies and he doesn't want various interest groups to have to fight it out.

Senator Eck said the cap could come by reducing the total amount allowed by this bill.

MOTION: Senator Eck moved as a substitute motion that SB 76 be amended on page 1, lines 5 and 24 by striking "24" and inserting "18". She said that would reduce the levy authority and increase the flexibility of county commissions. She said that they would not increase the mill levies simply because the authority to do so existed.

Senator Halligan spoke against the motion saying that the Taxpayers Association and the counties had all worked on this bill. He pointed out that this committee has all kinds of taxing authority that they do not use and that elected officials are as responsible at the local level. He made the distinction between increasing authority to tax and increasing taxes.

The question was called. With Senators Neuman, Mazurek and Halligan voting no; Senator Lybeck excused; and all other members present voting yes; the motion carried.

Senator Mazurek then suggested that libraries should be taken out of the bill and the overall authority reduced further to 13 mills. Senator Halligan said if that was done, the bill should be killed.

ROLL CALL

SENATE TAXATION COMMITTEE

49th Legislative Session -- 1985

Date February 1, 85 8:40am

Location -- Room 413-415

Name Present Absent Excused

Senator Brown	✓		
Senator Eck	✓		
Senator Goodover	✓		
Senator Hager	✓		
Senator Halligan	✓		
Senator Hirsch	✓		
Senator Lybeck			✓
Senator Mazurek	✓		
Senator McCallum	✓		
Senator Neuman	✓		
Senator Severson	✓		
Senator Towe	✓		

STATUS SHEET

HOUSE TAXATION

COMMITTEE

49th Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
SB 33	To provide for establishment of agricultural land values for the revaluation-cycle beginning Jan. 1, 1986	2-27-85	Severson	3-15-85	BE CONCURRED IN, AS AMENDED	3-29-85
SB 41	To clarify the distribution of income and earnings from coal severance tax funds by providing those funds not be included in in-state investment	2-27-85	Towe	3-15-85	BE CONCURRED IN	3-15-85
SB 55	To limit the time within which an action may be commenced to determine the validity of royalty or mineral interest in land acquired by tax deed	2-27-85	Towe	3-20-85	BE CONCURRED IN	3-20-85
SB 72	To exclude social security benefits from adjusted gross income in computing state income tax liability	2-27-85	Hager	3-11-85	BE CONCURRED IN	3-11-85
SB 99	To limit to the immediately previous year any back taxes owed on a motor vehicle not registered or operated	2-27-85	Lynch	3-15-85	BE CONCURRED IN	3-15-85
SB 142	To increase the fee in lieu of tax on light vehicles	2-27-85	Halligan	3-19-85	WITHOUT RECOMMENDATION	3-19-85

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

March 15, 1985

The meeting of the Taxation Committee was called to order by Chairman Gerry Devlin on March 15, 1985, at 8 a.m. in Room 312-1, State Capitol.

ROLL CALL: All members of the Committee were present except Representative Patterson, who was excused.

CONSIDERATION OF SENATE BILL 33: Senator Elmer Severson, District 33, sponsor, stated Senate Bill 33 appears to be the most sponsored bill this session. Describing the history of the bill, he told committee members it was conceived with the final hearing of the Revenue Oversight Committee on land valuation, in January, 1983, (which was attended by more than 1,000 Montana farmers and ranchers).

Senator Severson explained that as a result of the meeting (1) a moratorium on valuation was created; (2) an interim study committee was formed; and (3) House Bill 637 (sponsored by Representative Manual), was introduced to address taxable valuation guidelines. He said members of the Interim Study Committee and the Governor's Advisory Committee, in concurrence with the Department of Revenue, came up with a "livable proposal".

Senator Severson advised committee members that one proposal provided for a 59% decrease in taxable valuation of agricultural land, as agricultural production has dropped considerably since 1963. He told the Committee he made a motion in the Interim Study Committee not to ask for the decrease and that Senate Bill 33, drafted as an alternative measure, would freeze present valuation tables.

Referring to page 4, section 4, of the bill, Senator Severson explained there is concern as to whether or not tree farmers fall into the classification for agricultural or timber land. He said the proposed amendments provide that such land be given an agricultural classification (Exhibit 1).

PROPONENTS: Mr. Greg Groepper, Administrator, Property Assessment Division, Department of Revenue, reaffirmed Senator Severson's statement that the Department worked along with the Governor's Advisory Committee and the Interim Study Committee on this issue. He commented that a large amount of expense data for agricultural land was not available to the Department, thus inhibiting efforts to rework the system.

Mr. Groepper explained that to him, Senate Bill 63 and Representative Donaldson's bill make sense, as they present a convincing argument for freezing valuation of agricultural land in view of present production levels. He said the Division is in a position now to complete reappraisal by January, 1986, and commented that any changes to the bills would prevent completion as scheduled.

Mr. Pat Underwood, Montana Farm Bureau, stated his organization has been involved in the reappraisal process during the past two years and supports Senate Bill 33 (Exhibit 1a).

Mrs. Jo Bruner, Montana Farmers Union, asked the Committee to give the bill favorable consideration.

Mr. Don Allen, Montana Wood Products Association, told committee members he supports the bill and has been involved in discussions of property tax valuation and the plight of agricultural lands since the beginning of the 1985 session. He explained his organization is both disappointed and discouraged that there has been no agreement on all of the tax classification bills. He expressed his concern that not all of the bills will make it through the session since the Department of Revenue will not use the 40% ratio, presently in effect. Mr. Allen commented the Department's plan to use a 100% ratio would mean disaster for the timber industry, which is one of the state's five basic industries.

Mr. Allen advised committee members he sees a need for the timber industry to create its own safety net to protect itself, and asked that Senate Bill 33 be amended to tax timber lands similarly to those of agriculture. He told the Committee the amendments strike a portion of line 5 on page 4 of the bill and would strike subsection exceptions. He asked that the Committee use the present valuation in accord with rules effective May 12, 1983, until the present situation could be reworked. Mr. Allen said the amendments would also strike section C on page 4, pertaining to Christmas trees and asked that the Committee seriously consider the proposed amendments.

Mr. Dennis Burr, Montana Taxpayers Association, stated his organization supports both the bill and the proposed amendments. He told committee members that in the past, there have been four different methods of determining the valuation of agricultural lands and commented that timber land is in a similar situation, but is based on a formula. Mr. Burr explained it would be difficult to predict the cost of timber in 1986 and commented that he is afraid timber could be subject to the same problems as those being experienced by agriculture. He said the amendments request historically used valuations and legislative time to review such valuations prior to any changes being made.

Representative Switzer asked to be on record in support of the bill.

There were no other proponents and no opponents of Senate Bill 33.

QUESTIONS: Representative Williams asked Mr. Allen what information was received or what resulted from meetings in which the Wood Products Association participated. He commented that Representative Ream is working with the timber industry on a definition for commercial timber and said he believes agricultural and timber lands are two separate items. Mr. Allen responded, stating both agriculture and timber are renewable resources, and as there are some differences in thought on the issue, there doesn't seem to be one answer which would guarantee that a bill containing this language would pass the Session.

Representative Ream asked Mr. Groepper to comment on his beliefs concerning like valuation of timber and agricultural lands. Mr. Groepper replied the potential for a law suit would be paramount if agricultural and timber lands were given one and the same classification. He told committee members the valuation for agricultural land is based on 1963 values and those for timber, on 1967-71 values.

Referring to the 40% assessment factor, Mr. Groepper stated that as an administrator, he believes the old schedule would appear to be both illegal and unconstitutional, if it were to include timber in the agricultural classification.

In addressing the matter of public policy, Mr. Groepper explained that the Division uses current income and expense information for timber land valuation and believes new roads into forests improve income aspects for timber. He said there are 3.5 million acres of privately owned timber land which provide approximately \$1.2 million in tax income to the State, at 28 cents per acre.

Mr. Groepper commented he would provide the Committee with an analysis of the proposed amendments on Monday, March 18, 1985, to which Chairman Devlin agreed.

Representative Asay asked Mr. Groepper if new roads leading into timber land are viewed as improvements and if this were a permanent procedure of the Division. Mr. Groepper replied the Division is not taxing the value of such roads and that he agrees timber is a crop. He stated one of the costs in harvesting timber is putting in a road where none exists.

Taxation Committee Minutes

March 15, 1985

Page 4

Representative Asay asked who builds such roads. Mr. Groepper replied that some are privately constructed and some are Forest Service roads, which he commented, are a 'freebie' to the timber industry.

Representative Harp asked what the 1963 values were for agricultural land. Mr. Groepper replied they were 65 cents per acre for agricultural land and \$1.07 per acre if personal property was included. He commented that 55 million acres of land in the state are given agricultural classification.

Representative Harp asked why the timber industry did not express its opinions in 1983, as did agriculture. Mr. Groepper replied that a rule hearing for timber lands was held prior to the 1983 session and that in August, 1982, a draft of the proposed rules was sent to members of the timber industry along with the adoption of the appraisal plan of December, 1981. He said House Bill 91, which was introduced during the 1983 session, described changes in how timber land was recorded and that it is incorrect to assume the timber industry was not aware of the actions of the Department of Revenue. Mr. Groepper commented the Department of Revenue supports Senate Bill 48.

Representative Harp asked if increases from 50% to 70% were possible for the assessment of timber land in the state, as suggested by Mr. Allen. Mr. Groepper replied he believes this legislature will adjourn without creating some tax mechanisms in this area, which he said are addressed in Senate Bill 48. He stated that Representative Ramirez' bill (House Bill 198) contains a tax adjustment mechanism and that the Governor wants to make certain each classification is adjusted prior to the end of the current biennium.

Mr. Groepper commented that a better approach may need to be derived to address the problem, if neither Senate Bill 48 nor Senate Bill 240 pass.

In closing, Senator Severson addressed the proposed amendments and said he has been asked by the timber industry why timber land has not been included in the agricultural classification. He told committee members he has been aware of the amendments and has no objection to them if they can work in the bill. Senator Severson told committee members he believes the bill is fair and that it is vital the bill pass, as agriculture is acting fairly in requesting a freeze on valuation. He commented that in the past 6-8 months, agriculture has watched its land values plummet and that no one knows where it will bottom out.

VISITORS' REGISTER

TAXATION

COMMITTEE

BILL NO. SB 33

DATE March 15, 1985

SPONSOR Sen. Severson

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

March 29, 1985 A.M.

The fifty-fifth meeting of the Taxation Committee was called to order at 7:03 a.m. in room 312-1 of the capitol building by Chairman Gerry Devlin.

ROLL CALL: All members were present as were Dave Bohyer, Researcher for the Legislative Council, and Alice Omang, secretary.

EXECUTIVE SESSION:

DISPOSITION OF SENATE BILL 33: Representative Williams moved that this bill BE CONCURRED IN. Representative Harp distributed copies of proposed amendments (Exhibit 1) to the committee and made a motion that these amendments be adopted.

Representative Williams indicated that he would oppose the amendments.

Representative Harp stated that he thought there was a bond between timber and agriculture and that they need to combine those two classes.

There was some discussion on the motion and a vote was taken and the motion passed with Representative Keenan and Representative Williams voting no.

Mr. Bohyer pointed out a technical amendment that was needed on page 4, line 8, which would strike "for the revaluation cycle beginning January 1, 1986" and on page 4, line 9, following "1986", insert the words "and ending December 31, 1990, or the date the revaluation conducted for 15-7-111 takes effect". He explained the need for this amendment.

Representative Switzer moved the amendment and the motion passed unanimously.

Representative Harp moved that this bill BE CONCURRED IN, AS AMENDED. The motion carried unanimously.

DAILY ROLL CALL

HOUSE TAXATION

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date March 29, 1985

NAME	PRESENT	ABSENT	EXCUSED
DEVLIN, GERRY, Chrm.	✓		
WILLIAMS, MEL, V. Chrm.	✓		
ABRAMS, HUGH	✓		
ASAY, TOM	✓		
COHEN, BEN	✓		
ELLISON, ORVAL	✓		
GILBERT, BOB	✓		
HANSON, MARIAN	✓		
HARRINGTON, DAN	✓		
HARP, JOHN	✓		
IVERSON, DENNIS	✓		
KEENAN, NANCY	✓		
KOEHNKE, FRANCIS	✓		
PATTERSON, JOHN	✓		
RANEY, BOB	✓		
REAM, BOB	✓		
SANDS, JACK	✓		
SCHYE, TED	✓		
SWITZER, DEAN	✓		
ZABROCKI, CARL	✓		

STANDING COMMITTEE REPORT

Page 1 of 3

March 29, 19 85

MR. SPEAKER:

We, your committee on TAXATION

having had under consideration SENATE Bill No. 33

third reading copy (blue)
color

AN ACT PROVIDING FOR ESTABLISHMENT OF AGRICULTURAL LAND VALUES
FOR THE REVALUATION CYCLE BEGINNING JANUARY 1, 1986;

Respectfully report as follows: That SENATE Bill No. 33

be amended as follows:

1. Title, line 14.

Following: "LAND"

Insert: "AND TIMBERLAND"

2. Title, line 16.

Following: "MCA;"

Insert: "REPEALING SECTIONS 42.20.113 THROUGH 42.20.116 OF
THE ADMINISTRATIVE RULES OF MONTANA; REQUIRING THE
ADOPTION OF NEW RULES;"

3. Title, line 16.

Following: "PROVIDING"

Strike: "A DELAYED"

Insert: "AN IMMEDIATE"

DOPASS

(continued)

#55

4. Title, line 17.

Following: "DATE"

Insert: "AND AN APPLICABILITY DATE"

5. Page 4, lines 5 and 6.

Following: "(4)" on line 5 for the first time

Strike: "(a) Except as provided in subsections (4)(b) and (4)(c)."

Insert: "For the revaluation beginning January 1, 1986,"

6. Page 4, line 6.

Following: "shall"

Insert: ":(a)"

7. Page 4, lines 8 and 9.

Following: "1984," on line 8

Strike: "for the revaluation cycle beginning January 1, 1986."

(b) Irrigated" on line 10.

Insert: "except that irrigated"

8. Page 4, line 11.

Following: line 10

Strike: "TAKE"

Insert: "be revised, taking"

9. Page 4.

Strike: lines 14 through 17 in their entirety

Following: line 17

Insert: "(b) for the appraisal of timberlands, adopt new rules which must contain the same provisions as were contained in sections 42.20.111, 42.20.112, and 42.20.121 through 42.20.132, ARM, as those sections read on May 12, 1983.

NEW SECTION. Section 2. Repealer. Rules 42.20.113 through 42.20.116, Administrative Rules of Montana, are repealed."

ReNUMBER: subsequent section

(continued)

10. Page 4, line 12.

Following: "date"

Insert: "-- applicability date"

11. Page 4, line 19.

Following: "effective"

Insert: "on passage and approval and applies to taxable
years beginning on or after"

AND AS AMENDED
BE CONCURRED IN

Exh. 1, p. 1
SB 33
3/29/88
Rep. Harp

PROPOSED AMENDMENTS
Senate Bill 33
Third Reading (Blue) Copy

1. Title, line 14.
Following: "LAND"
Insert: "AND TIMBERLAND"
2. Title, line 16.
Following: "MCA;"
Insert: "REPEALING SECTIONS 42.20.113 THROUGH 42.20.116 OF
THE ADMINISTRATIVE RULES OF MONTANA;"
3. Title, line 16.
Following: "PROVIDING"
Strike: "A DELAYED"
Insert: "AN IMMEDIATE"
4. Title, line 17.
Following: "DATE"
Insert: "AND AN APPLICABILITY DATE"
2. Page 4, line 5.
Following: "(4)"
Insert: "For the revaluation cycle beginning January 1,
1986,"
3. Page 4, lines 5 and 6.
Following: "(4)" on line 5
Strike: "(a) Except as provided in subsections (4)(b) and
(4)(c),"
4. Page 4, line 6.
Following: "shall"
Insert: "(a):"
4. Page 4, lines 8 and 9.
Following: "1984," on line 8
Strike: "for the revaluation cycle beginning January 1,
1986.
(b) Irrigated"
Insert: "except that irrigated"
5. Page 4, line 11.
Following: line 10
Strike: "TAKE"
Insert: "be revised, taking"

Harp
(1)

6. Page 4.

Strike: lines 14 through 17 in their entirety

Following: line 17

Insert: "(b) for the appraisal of timberlands, adopt new rules which shall contain the same provisions as were contained in sections 42.20.111, 42.20.112, and 42.20.121 through 42.20.132, ARM, as those sections read on May 12, 1983.

NEW SECTION. Section 2. Repealer. Rules 42.20.113 through 42.20.116, Administrative Rules of Montana, are repealed."

Renumber: subsequent section

7. Page 4, line 18.

Following: "date"

Insert: "-- applicability date"

8. Page 4, line 19.

Following: "effective"

Insert: "on passage and approval and applies to taxable years beginning on and after"